



U.S. Small Business  
Administration

## **Interagency Task Force on Veterans Small Business Development March 6, 2024 - Meeting Minutes**

### **Members Present:**

- Dilawar A. Syed, Deputy Administrator, U.S. Small Business Association (SBA)
- Timothy A. Green, Acting Associate Administrator, Office of Veteran Business Development (OVBD)

### **Agency Representatives**

- Mathew Blum, Associate Administrator, Office of Federal Procurement Policy (OFPP), U.S. Office of Management and Budget (OMB)
- Charles James, Zone 2 Supervisor, Office of Small & Disadvantaged Business Utilization (OSDBU), U.S. General Services Administration (GSA)
- Carla Johnson, Associate Director, Office of Small Business Programs (OSBP), Acquisition & Sustainment (A&S), U.S. Department of Defense (DoD)
- Victor Klingelhofer, Executive Committee Member, Veterans Entrepreneurship Task Force (VET-Force)
- Lisa Oliva, Deputy Director, Office of Small and Disadvantaged Business Utilization (OSDBU), U.S. Department of Treasury (Treasury)
- Fran Perez-Wilhite, Program Manager, North Carolina Military Business Center (NCMBC)
- Michael Phipps, Representative, The American Legion
- Kristopher Rick, Director, Office of Strategic Outreach, Veterans' Employment and Training Service (VETS), U.S. Department of Labor (DOL)
- Cordell Smith, Deputy Director, Acquisition & Policy, Office of Small & Disadvantaged Business Utilization (OSDBU), U.S. Department of Veterans Affairs (VA)

**1. The Quarterly Public Meeting of the IATF was called to order at 1:02 PM on 03/6/2024 –** by Tim Green, Acting Associate Administrator, OVBD.

### **2. Meeting Highlights:**

- a. Welcoming Remarks and Introduction** – Tim Green thanked the members for attending the meeting and introduced SBA Deputy Administrator Dilawar Syed.

- i. **Opening Comments: Remarks by SBA Deputy Administrator Dilawar Syed** – Deputy Administrator Dilawar Syed welcomed everyone to the meeting and SBA Headquarters. He stated that there are two million veteran owned small businesses in the country. These businesses employ five million Americans and generate almost a trillion dollars in annual revenue. He said that SBA loaned \$1.2 billion across 2,800 loans to veteran owned businesses in fiscal year 2023. These loans represent 33 percent in volume since the President took office. In addition, the Deputy Administrator said that this is a good trajectory, but the administration and team are not satisfied and will continue to work. The Deputy Administrator went on to say that there is continuing opportunity within the military business community and we must do more to support them. He explains that this help is not just loans, but also about extending government contracts and mentorship services. He said to increase awareness for the 68 district field offices and 28 Veteran Business Outreach Centers (VBOC's) available to this community. The Deputy Administrator continued he would like to see his agency counterparts at the Interagency Task Force meeting because he believes they can assist with the outreach efforts and explain what they can offer to veterans, alongside SBA; an interagency approach is key to success. The Deputy Administrator said that the contracting goal for service-disabled veteran owned small businesses has increased to 5% for fiscal year 2024. SBA is currently at 4.6%. He mentioned that the SBA VetCert platform has launched and has processed 12,000 applications for veteran owned small businesses for certification. The processing time has been cut down to 18 days. Additionally, the Deputy Administrator said that HUBZone Women-Owned Small Businesses and the 8(a) Certification Programs will be added to this platform.
- ii. **Guest Speaker - Robert Bailey, Chairman, SBA Advisory Committee on Veteran Business Affairs (ACVBA) and President, Bailey Information Technology Consultants, LLC.** – Mr. Bailey spoke to the committee about his journey. He discussed the successes and challenges he has faced starting and operating a small business. His business, BIT Consultants, LLC, was established in December 2011 as a certified service-disabled veteran owned small business and subcontractor. Mr. Bailey said that he often refers people to SBA's website when they ask for subcontracting assistance. Mr. Bailey referenced the Subcontracting Network Platform. The platform provides robust information on where to work in concert with subcontracting plans for major primes, small businesses, and businesses where people may be at risk. Bona fide opportunities are provided to these communities. Mr. Bailey said that SBA Small Business literature on its website is very comprehensive.

### 3. **Presentation 1 – Sam Le, Policy Director, Government Contracting and Business Development Updates:**

- i. **Legislative Actions - NDAA for Fiscal Year 2024** – Sam Le reported that the National Defense Authorization Act for fiscal year 2024 was passed December 22, 2023. There were a number of provisions that involved service-disabled veteran owned small businesses.

- a. **Provision: General Small Business Use**
  - **Sect. 862:** Primes must notify federal government contracting officers if a prime is late or deficient in paying a small business subcontractor. SBA is working on this rule to include in FAR to ensure that prime contractors pay their subcontractors on time or within 30 days of the due date. They will be reported to the government if they fail to do so.
  - **Sect. 865:** Requires that DoD consider the past performance of a small business' affiliates. Mr. Le said it's what SBA refers to as the entity-owned firms. He said that those are usually 8(a) participants, or sometimes just small businesses that are owned by Alaskan native corporations, Indian tribes, and native Hawaiians organizations.
- b. **Provision: The Service-Disabled Veteran-Owned Small Business**
  - **Sect. 863:** Increases the prime contracting and subcontracting goal for the federal government from 3 percent to 5 percent. Mr. Le said that in 2022, the federal government reached 4.5 percent for service-disabled veteran owned contracting. The 5 percent goal is effective for 2024.
  - **Sect. 864:** Removes self-certification for service-disabled veteran owned small businesses. Mr. Le states that, effective January 1, 2023, SBA started to certify service-disabled veteran owned firms, taking over the function from the VA. As of January 1, 2024, firms are no longer allowed to self-certify for prime contracts set-asides. He stated that if you were a certified service-disabled veteran owned firm, except for a small exception, you will not be able to go after prime level set-asides.
- ii. **Executive Actions – OFPP Memo: Increasing Small Business Participation on Multiple-Award Contracts (Jan. 25, 2024)** - Mr. Le said a major action is being discussed regarding a memorandum that came from the Office of Federal Procurement and Policy (OFPP) at the Office of Management and Budget (OMB) on Increasing Small Business Participation on Multiple Award Contracts. Mr. Le said there are three sections that agencies should do in the award of orders under new and existing multi award contracts. These three sections are:
  - a. **Awards of New Multiple -Award Contracts** - The government will take action to engage small business specialists that sit in the Office of the Small Disadvantaged Business Utilization, as well as SBA procurement center representatives, earlier in the acquisition process. Mr. Le explains that there is a rule which states if agencies are going to participate in a bundling action, or consolidate, they have to contact SBA 30 days prior to the solicitation. The White House, through OFPP, is asking agencies to reach out to SBA earlier and notify them when the agency is not going to use a small business set- aside on what SBA is calling multiple award contracts.
  - b. **Awards of Orders Under New and Existing Multiple Award Contracts** – Mr. Le said the rule of two will be new and existing multiple award contracts, with some exceptions. The rule of two states that if an agency finds two or more small businesses that can perform the agency's work, the agency must reserve, or set-aside that work for small businesses. This has been in place

in the FAR since 1984. Recently there's been significant legal questions about how the rule of two applies to these multiple award contracts. Mr. Le referenced 2008 case from the GAO called Delex Systems. It states that if the rule of two applies, agencies must use that set-aside opportunity. However, there were other future cases that said differently. He goes on to say that there was a divide and the OFPP is directing agencies to apply the rule of two to contract orders. Additionally, OFPP is telling agencies to focus particularly on small businesses below the \$250,000 simplified acquisition threshold.

- c. **Best-In-Class Contracts** – Mr. Le said that OFPP has made the point that these are the contracts that are best-in-class, not necessarily the contractors that are on the contracts. There are opportunities on those to find new entrants and reverse that 40 percent decline. He said that agencies are being encouraged to seek new entrants through best-in-class contracts. He stated that 8(a) STARS is a best-in-class contract. If an agency cannot find new entrants through the best-in-class contract, then the agency should consider using a set-aside, outside of the best-in-class contract, what OMB is calling a “Open Market Set-Asides” to find new entrants.

**iii. Executive Actions - OMB Memo: Increasing Small Disadvantaged Business (SDB) Dollars for Fiscal Year 24 –**

- a. **Small-Disadvantage Business Goals Fiscal Year 24** - Mr. Le reported that OMB issued a memo to set the SDB goal for fiscal year 24 to 13 percent. He added that we are on our way to the 15 percent goal, stated in executive order 14091, further advancing equity through the federal government. In light of the legal action with the 8(a) program and the Ultima decision, OMB made the point that the 8(a) program remains an important gateway for expanding contract access to those who have experienced past discrimination. He says that we will see for 2024 how we do on this 13 percent goal and on 15 percent for 2025.

- iv. **Better Contracting Initiative** – Issued by The White House, this initiative seeks to have 10 billion annually through savings and cost avoidance, by leveraging data, using enterprise-wide software licenses, getting contract requirements right the first time, and getting better value from sole source and other high-risk contracts. Mr. Le feels that more businesses will be seen regarding the Better Contracting Initiative from the administration.

- v. **Recent SBA Regulatory Actions - SBA Final Rule: Loan Program Alternative Size Standard** – Mr. Le said that SBA has raised the sized standards under the loan programs, meaning more access to capital for larger small businesses. He stated that they can now qualify for 7(a) and 504 loans even if they have up to \$20 million in tangible net worth. He goes on to say that it is a \$6.5 million in average net income over the past two years. He said that those thresholds used to be \$15 million and \$5 million, have raised to \$20 million and \$6.5 million for the loan programs.

- vi. **Surety Bond Program** – You can now get an SBA guaranteed surety bond up to \$9 million value for non-federal contracts. These were previously set at \$6.5 million and up to \$14 million for federal contracts, up from \$10 million. Mr. Le explained that SBA is raising these thresholds due to the economic situations, like inflation and increased demand, particularly in the construction industry. This is especially noteworthy in the infrastructure bill, as we try to find small businesses to perform some of the construction projects that are being funded by that bill. Now those surety bonds can go up to \$14 million for federal contracts.
- vii. **Credit for Lower Tier Subcontracting** – At the end of 2023, SBA issued a rule on lower tier subcontracting that allows prime contractors to take credit for small businesses that are below the first tier of subcontracting. Mr. Le advises that it should open more opportunities for small businesses lower down the supply chain in federal contracting.
- viii. **FAR Interim Final Rule: Certification of Service-Disabled Veteran Owned Small Businesses (SDVOSBs)** – FAR recently issued their interim rule on certification of service-disabled veteran owned small businesses. It states that as of January 1, 2024 agencies are required to use VetCert and SBA certified firms for prime and set-aside and sole source prime contracts. There is a list on VetCert, in the FAQ section, of firms who applied as of December 31, but have not received a decision yet. Those firms are also eligible for this.
- ix. **FAR Proposed Rule: Limitations on Subcontracting** – The proposed rule from FAR on the Limitations on Subcontracting is known as the 50 percent rule. The rule allows for 15 percent for construction and 25 percent for specialty construction that applies to set-aside contracts. Mr. Le said that if a small business gets a set-aside contract, you have to perform 50 percent of the work yourself, or with a similar situated entity. A similarly situated entity is another small business that could have won the set-aside on its own. FAR proposes that first the similarly situated entity must perform the work with its own employees and cannot further subcontract that work to count toward that 50 percent. He further explains that FAR also proposes several exclusions from the base. There's also an exception for some USAID contracts where the work has to be performed under the Foreign Assistance Act. It also removes some old language about the 8(a) Program that was separate.

#### 4. Member Updates:

- a. **Cordell Smith, Deputy Director of Acquisition Policy, OSD/BU, U.S. Department of Veterans Affairs Report:**

- i. **Fiscal Year 2024 Goals and Performance** – The most recent report covered the period ending January 31, 2024. The VA is meeting all goals except HUBZone and women-owned small business goals. The VA's total procurement is running slightly ahead of where it was a year ago at this time and was about one billion dollars as of January 2024. Recent reports suggest that they are substantially ahead of where they are. Mr. Smith believes that some of it is connected to the expansion of the VA

mission under the PACT Act and additional spending associated with it. The VA will continue to monitor.

- ii. **Strategic Outreach and Communications Update** – Mr. Smith stated that the VA OSDBU has done additional work to identify training opportunities that can expand offerings and fill in gaps that customers identified.
- iii. **Market Research Series** – The VA OSDBU has put together training classes on how to use data sources in the government, such as USA Spending and the SAM Ad hoc reports, as a way to do research on who buys what at the agency.
- iv. **Outreach**

- a. **Past Events:**

- January 4, 2024: Werk Room SDVOSB/ Lesbian, Gay, Bi-sexual, Transgender, Intersex, Queer/Questioning, Asexual (LGBTQA+) – Washington, DC
- January 16, 2024: U.S. Women’s Chamber of Commerce (USWCC) 2nd Annual Small Business Conference – New Orleans, LA
- February 5, 2024: National 8(a) Association National Small Business Conference – Atlanta, GA
- February 12, 2024: Winter Soiree GovCon Networking Event – Washington, DC
- February 15, 2024: Veteran Institute for Procurement (VIP) Start – Potomac, MD
- February 21, 2024: Government Agency Procurement (GAP) Conference – Bowie, MD
- February 21, 2024: U.S. Department of Transportation (DOT) Small Business Summit: Roadmap to HUBZone Success – Washington, DC
- To view OSDBU trainings, visit [www.vetbiz.va.gov](http://www.vetbiz.va.gov) and <https://www.youtube.com/c/VAOSDBU> for video training catalog.

- b. **Lisa Oliva, Deputy Director, Office of Small and Disadvantage Business Utilization, U.S. Department of Treasury Report:**

- i. **New 50 states Initiative** - Ms. Oliva said that the Department of Treasury is excited to announce a new initiative called the 50 States Initiative. It aims to maximize opportunities for small businesses and aligns with Executive Orders 13985 and 14091, which speaks to advancing equity. She said there are benefits of ensuring that small businesses in the U.S. and U.S. territories have access to resources, information, and opportunities that they need to thrive and the SDBU is going to meet people where they are. Ms. Oliva said that the Department of Treasury has segmented the 50 States Initiatives in alignment with SBA to mirror the 10 regions. This will provide a very good opportunity to engage with small business owners, as well as our bureau stakeholders that are anchored in the various 50 states. SDBU can better understand the unique challenges that all small businesses face, as well as the barriers, and provide tailored support to address their specific needs.
- ii. **SDVOSB Connect** –This program plays a pivotal role in promoting small business and SDVOSBs concerns first. The program will be an information series launched by the Treasury OSDBU in conjunction with their 50 States Initiative. It will empower

and advance SDVOSBs located in the underserved and under-resourced communities to ensure that they have equitable consideration for contractual awards within Treasury departmental offices and Treasury's bureaus. Ms. Oliva explained that OSDBU drivers propel economic resilient communities, under Treasury's strategic objective 1.3, which focuses on driving economic growth and job creation. This also aligns with Executive Orders 13985 and 14901, which promotes procurement equity. Ms. Oliva said that some of the goals that they have are to expand outreach and support across the nation in our regions and to plan to foster collaboration with our departmental offices and bureaus. Ms. Oliva said that some of the goals are outreach and education, and promoting diversity, equity, and inclusion.

- iii. **Fiscal Year 2023 SDVOSB Goal** - In Fiscal Year 2023, Treasury exceeded their SDVOSB goal to 4.2 percent, which shows their direct commitment to exceeding goals and collaborating with service-disabled veteran-owned small businesses. According to Ms. Oliva, the OSDBU wants to collaborate and have a partnership with Treasury departmental offices, bureaus, prime contractors, SDVOSBs, and resource partners that are anchored under the SBA underserved community council.
- iv. **New Entrants Fiscal Year-2023** -The Department of Treasury OSDBU championed for 12 new entrant SDVOSBs, awarding \$21.1 million to these small businesses. Ms. Oliva states that they are continuing on an upward trajectory, and it is all in the federal data strategy. Their office has integrated the enterprise data governance, which emphasizes the importance to ensure quality, integrity, and accessibility of the data. Treasury OSDBU is leveraging this data to allow them to make true decision-making and accountability so that the OSDBU can use this data to make process improvements. The Treasury OSDBU also has been actively working towards promoting equity in contractor awards to small businesses, particularly those that are new entrants and the underserved and under resourced communities. Our technical approach aims to create opportunities for our SDVOSBs so that they can secure multi-year, multimillion dollar contractor awards at Treasury.

c. **Carla Johnson, Associate Director, Office of Small Business Programs (OSBP), Acquisition & Sustainment (A&S), U.S. Department of Defense (DoD):**

- i. **Three Percent Goals** – Ms. Johnson stated that for the past couple of years, DoD has been able to exceed the three percent SDVOSB goal and plans to do the same this year. Ms. Johnson said that, due to the increased goal, the DoD is focused on specialized training programs and outreach. The DoD has two big events that they sponsor each year. The Small Business Training Week will help for procurement analysts, and acquisition analysts within the Department. The Mentor Protégé Summit is geared more towards businesses. Ms. Johnson also said that a larger initiative that her office has issued is their Small Business Strategy.
- ii. **Events and Training** –
  - **April 29 -May 3, 2024** - Small Business Training Week 2024 – Chicago, IL
  - **August 2024** - Mentor/Protégé Summit



- d. **Charles James, Zone 2 Supervisor, Office of Small & Disadvantaged Business Utilization (OSDBU), U.S. General Services Administration (GSA):**
  - i. **Small Business Goals** - Mr. James said that GSA is actively working with the acquisition offices, work force offices, the program offices, and the contracting professionals to make sure that GSA is producing and making sure that they are aware of what we are trying to do regarding the small business goals, including our 5 percent goal, as well as acquisition strategies from the contracting offices.
  - ii. **Fiscal Year 2023** – Mr. James stated that they were successfully able to surpass the GSA-wide agency goal for SDVOSBs, making it at 12.05 percent, which was over \$800 billion. GSA received A-plus report card for this as well as for SDVOSBs.
  - iii. **Major Procurements** - Mr. James talked about the two major procurements that are active at this time and will be of great support for SDVOSBs:
    - a. **Oasis Plus** – Oasis Plus is a multiple agency contract, IDIQ, with six pools, including SDVOSB. He said that there is unlimited amount of contract awards from the solicitation and that we can anticipate an award date within fiscal year 24, quarter three.
    - b. **Polaris** – May offer up to 70 awards in the pool of SDVOSB. Anticipate an award date in fiscal year 24, quarter three.
    - c. Mr. James stated that there is no maximum dollar ceiling for this master contract.
- e. **Victor Klingelhofer, Executive Committee Member, Veterans Entrepreneurship Task Force (VET-Force) – No Report Submitted**
  - i. **Comments on Rob Bailey’s Presentation:** Mr. Klingelhofer said that large businesses will frequently prohibit a subcontractor to contact the contracting officer for any reason other than failure to pay. Mr. Klingelhofer said allowing the subcontractors to complain directly to the contracting officer will help. He stated that there are large business primes who have taken their subcontractors to court to enforce a non-contact. Mr. Klingelhofer also referenced a case from fall 2023 that involved a prime contractor breaching its work share guarantee in the award of a U.S. Army contract. The name of the case is Legion Systems, LLC. v. Valiant Global Defense Services.
- f. **Fran Perez-Wilhite, Program Manager, North Carolina Military Business Center (NCMBC) – Report:**
  - i. **The Southeast Regional Federal Construction Infrastructure and Environmental Summit** – Will be held on April 16-18, 2024, in Wilmington, NC. Please call if you have any questions, 704-806-6858.
- g. **Mike Phipps, Representative, The American Legion - Report:**
  - i. Mr. Phipps stated The American Legion Commander will testify at a joint hearing with the VA on March 13, 2024. Mr. Phipps talked about the reduction in small business participation. There is HR 7401, an amendment to Title 10. This establishes a goal for the DoD to participate in the veteran owned small business programs.



They are the same set-aside goals that the VA has. Mr. Phipps stated that American Legion is hoping to see it get passed and implemented at the DoD level.

**h. Mathew Blum, Associate Administrator, Office of Federal Procurement Policy (OFPP), U.S. Office of Management and Budget (OMB) – Report:**

- i. **Forecasts** – Mr. Blum said that a strong forecast will help small businesses prepare for competition, which contributes to better diversity, resilience and contracting outcomes. Mr. Blum explained that it furthers both the President’s management agenda’s commitment to a more diverse and resilient federal marketplace. Our contracting initiative will have a three-prong strategy that should produce better results. He said, it will cover improving the content, the quality of the forecasts, the frequency of reporting, timeliness, and providing working towards enhanced access to forecasts. Mr. Blum said, interested vendors currently have to look across agencies and sometimes within components of the agencies to get information. Our goal is to provide centralized access over time so that a vendor can go to one place and see the forecast ahead of when they would go to business opportunity.

5. The next meeting will be held in person for members and virtually for the public via Microsoft Teams on June 5, 2024, at 1:00 p.m. ET.
6. The meeting was adjourned 2:55 p.m. ET by Timothy Green.